

AMENDED IN ASSEMBLY APRIL 25, 2005

CALIFORNIA LEGISLATURE—2005—06 REGULAR SESSION

**ASSEMBLY BILL**

**No. 1316**

**Introduced by Assembly Member Salinas**

February 22, 2005

---

An act to *add Section 129772 to, and to add and repeal Section 129771 of, the Health and Safety Code, relating to health facilities, and declaring the urgency thereof, to take effect immediately.*

LEGISLATIVE COUNSEL'S DIGEST

AB 1316, as amended, Salinas. Health facilities: construction.

The Alfred E. Alquist Hospital Facilities Seismic Safety Act of 1983 requires the Office of Statewide Health Planning and Development (OSHPD) to assume duties relating to construction and alteration of hospital buildings, including, but not limited to, review and approval of construction plans, in order to ensure that the buildings would be reasonably capable of providing services after a disaster.

This bill would, until January 1, 2012, authorize a public hospital governing board to retain ~~an independent plan reviewer (IPR) architects who meet prescribed criteria to review~~ develop its plan prior to submitting it to OSHPD for projects over \$25,000 in construction costs. The bill would *require OSHPD to establish* ~~plan an accelerated review criteria and would require the adoption of related emergency regulations processes, including, but not limited to, adoptions of emergency regulations establishing IPR qualifications and certification standards implementing these reforms, and would require a report to the Legislature by July 1, 2006.~~

This bill would declare that it is to take effect immediately as an urgency statute.

Vote:  $\frac{2}{3}$ . Appropriation: no. Fiscal committee: yes.  
State-mandated local program: no.

*The people of the State of California do enact as follows:*

1     SECTION 1. Section 129771 is added to the Health and  
2     Safety Code, to read:  
3     129771. (a) The Legislature finds and declares as follows:  
4     (1) California's public hospitals, including those operated by  
5     cities, counties, and health care districts, provide health care  
6     services to more than 10,000,000 Californians annually and  
7     constitute the core of the state's health care safety net.  
8     (2) More than one-half of the patients treated in California's  
9     public hospitals are uninsured, or covered by public health  
10    insurance programs including, but not limited to, Medi-Cal.  
11    These hospitals posted net operating losses in excess of one  
12    billion dollars (\$1,000,000,000) in the 2003-04 fiscal year,  
13    according to the Office of Statewide Health Planning and  
14    Development (OSHPD). Many of these hospitals are struggling  
15    to remain in operation today.  
16    (3) The existing Alfred E. Alquist Hospital Facilities Seismic  
17    Safety Act of 1983 requires that California hospitals meet design  
18    and construction standards, in order to ensure they are  
19    reasonably capable of providing services to the public after a  
20    major earthquake. The act requires OSHPD to approve or reject  
21    all plans for the construction or alteration of a hospital building.  
22    After January 1, 2008, the act requires any general acute care  
23    hospital building that is determined to be a potential risk of  
24    collapse or pose significant loss of life to be used only for  
25    nonacute care hospital purposes.  
26    (4) The average approval time for plans submitted to OSHPD,  
27    by district hospitals, is 180 days. However, some plans submitted  
28    to OSHPD by district hospitals have taken 365 days or more to  
29    obtain final approval. These delays have exposed district hospital  
30    projects to cost inflation in excess of 25 percent, jeopardizing the  
31    completion of these construction projects. The delays have also  
32    increased the likelihood that these district hospitals will not be  
33    able to meet the January 1, 2008, seismic safety compliance  
34    deadline.

1     (5) *These delays arise from a variety of factors. Some of these*  
2 *factors include issues specific to project architects and*  
3 *engineers, though some are related to the cumbersome nature of*  
4 *certain administrative processes within OSHPD.*

5     (6) *Most public hospital construction projects are financed*  
6 *through the sale of voter approved general obligation bonds.*  
7 *Their project budgets, repayment schedules, and covenants are*  
8 *fixed, and cannot be renegotiated. District hospitals cannot*  
9 *realistically expect to obtain voter approval for any additional*  
10 *funding to cover cost overruns, regardless of cause. Every effort*  
11 *must be made to reduce and eliminate unnecessary*  
12 *administrative and process-related delays in the OSHPD plan,*  
13 *plan change order, and project inspection approval processes.*

14     (7) *Accordingly, the Legislature intends to provide public*  
15 *hospitals with the option of a guaranteed OSHPD plan review*  
16 *and approval timeline. It also intends to initiate reforms in the*  
17 *hospital plan review and approval, plan change order review*  
18 *and approval, and construction project inspection approval*  
19 *processes within OSHPD, and require regular reports to the*  
20 *Legislature on the implementation and success of these reforms.*

21     (b) (1) *The governing board of a public hospital may retain*  
22 *architects who meet or exceed the qualification standards*  
23 *specified in this section, to develop plans for facility alteration*  
24 *and construction. These qualified architects shall be responsible*  
25 *for plan development and submission to the office for review and*  
26 *approval within the timeframe specified in paragraph (3).*

27     (2) (A) *For purposes of this section, “qualified architect”*  
28 *shall mean a professional architect who meets all of the*  
29 *following standards:*

30     (i) *Professional licensure pursuant to Chapter 3 (commencing*  
31 *with Section 5500) of Division 3 of the Business and Professions*  
32 *Code.*

33     (ii) *A minimum of seven years of continuous postlicensure*  
34 *practice.*

35     (iii) *Significant demonstrated working experience with*  
36 *California Building Standards Codes and regulations regarding*  
37 *the construction and alteration of hospitals and health facilities,*  
38 *including, but not limited to, this chapter.*

39     (iv) *Any additional standards adopted by the Office of*  
40 *Statewide Health Planning and Development.*

1     (B) When the hospital's qualified architect determines that the  
2 hospital's plans are complete and comply with all applicable  
3 California Building Standards Code requirements, the architect  
4 shall issue a certification and the hospital governing board shall  
5 submit the application and the certified plans and all necessary  
6 supporting documentation to the office for review.

7     (C) All applications for plan and plan amendment review,  
8 submitted to the office, shall include the name of, and contact  
9 information for, a designated hospital owner's representative.

10    (3) (A) Except as provided in subparagraph (G), the office  
11 shall perform a review of the certified plans and supporting  
12 design data, submitted by the hospital's qualified architect within  
13 60 days of submission.

14    (B) If the office identifies any noncompliance with structural,  
15 nonstructural bracing, or fire and life safety requirements of the  
16 California Building Standards Code or other noncompliance that  
17 impacts structural, nonstructural bracing, or fire and life safety  
18 conditions, the office shall return the certified plans to the  
19 hospital's qualified architect governing board for correction,  
20 and notify the hospital's designated owner representative, via  
21 registered mail, that the plans have been returned to the qualified  
22 architect for correction. If the hospital's qualified architect  
23 resubmits the corrected plans to the office within six months from  
24 the date the office returned the plans to the architect for  
25 correction, the office shall review the corrected plans within 60  
26 days. If the hospital's qualified architect resubmits the corrected  
27 plans to the office after six months, the office shall treat the  
28 corrected plans as a new application.

29    (C) If the office does not identify any noncompliance with the  
30 qualified architect's submission or resubmission, the office shall  
31 issue a plan approval.

32    (D) If the office identifies any noncompliance with any code  
33 requirements other than structural, nonstructural bracing, or fire  
34 and life safety requirements that do not impact the structural,  
35 nonstructural bracing, or fire and life safety conditions, the office  
36 shall inform the hospital's governing board-qualified architect  
37 and designated owner representative, issue a plan approval, and,  
38 during construction, the hospital's qualified architect shall  
39 remedy the noncompliance, and the office shall verify that the

1 *noncompliances were corrected. The office shall not permit*  
2 *occupancy or use of space if any noncompliance is not remedied.*

3 *(G) The Legislature understands that some projects are so*  
4 *complex that the 60-day deadlines for review of certified or*  
5 *corrected plans, as described in subparagraphs (A) and (B), may*  
6 *not be achievable. In all cases, the hospital owner and the office*  
7 *may negotiate a mutually agreeable timeframe for review of*  
8 *IPR-certified plans or corrected plans developed by a qualified*  
9 *architect. However, in no case shall total time required for*  
10 *review of plans or corrected plans developed by a qualified*  
11 *architect exceed 160 days.*

12 *(c) The office shall adopt within 90 days after the effective*  
13 *date of the act that added this section, regulations to establish*  
14 *the adoption, amendment, repeal, or readoption of a regulation*  
15 *authorized by this section that is deemed to be necessary for the*  
16 *immediate preservation of the public peace, health and safety, or*  
17 *general welfare, for the purposes of Sections 11346.1 and*  
18 *11349.6 of the Government Code, and the office is hereby*  
19 *exempted from the requirement that it describe specific facts*  
20 *showing the need for immediate action.*

21 *(d) As used in this section, "public hospital" means any*  
22 *hospital owned and operated by a city, county, city and county,*  
23 *health care district, or the University of California.*

24 *(e) Due to the short-term nature of the projected workload*  
25 *peak, this section shall remain in effect only until January 1,*  
26 *2012, and as of that date is repealed, unless a later enacted*  
27 *statute, that is enacted before January 1, 2012, deletes or extends*  
28 *that date.*

29 *SEC. 2. Section 129772 is added to the Health and Safety*  
30 *Code, to read:*

31 *129772. (a) The Office of Statewide Planning and*  
32 *Development shall develop and implement administrative*  
33 *reforms to reduce the average time required for the review and*  
34 *approval of hospital construction plans, and plan amendments,*  
35 *to no more than 160 days, by January 1, 2007. These reforms*  
36 *shall include, but not be limited to, the following:*

37 *(1) The designation of technical leaders within the office, who*  
38 *can provide oversight and direction to regional and state staff in*  
39 *the following engineering and design areas:*

40 *(A) Architectural.*

1 (B) Structural.

2 (C) Mechanical.

3 (D) Electrical.

4 (E) Fire and life safety.

5 (2) Implementation of triage procedures for the rapid  
6 evaluation of plans and plan amendments submitted to the office.

7 (3) Expanded use of over-the-counter reviews for plans and  
8 plan amendments.

9 (4) Expedited review processes for plan amendments and  
10 change orders to address the requirements of subdivision (b) of  
11 Section 153 of Article 3 of Chapter 7 of Part 1 of Title 24 of the  
12 California Code of Regulations.

13 (b) The office shall begin implementation of these reforms by  
14 January 1, 2006. It shall complete implementation of all  
15 necessary reforms by July 1, 2006.

16 (c) The office shall prepare a report to the Legislature on the  
17 progress of development and implementation, to be presented to  
18 the Legislature by July 1, 2006.

19 (d) Beginning January 1, 2007, the office shall prepare a  
20 report to the Legislature on their progress in implementing these  
21 regulations, and its progress in meeting the goal of reduced  
22 average plan review and approval time specified in subdivision  
23 (a). This report shall be incorporated into the office's annual  
24 budget presentation to the Legislature.

25 (e) The reports specified in subdivisions (c) and (d) shall be  
26 delivered to the President pro-Tempore of the Senate, Speaker of  
27 the Assembly, the minority leaders in the Senate and Assembly,  
28 and the chair and vice chair of the budget committees in each  
29 house.

30 SEC. 3. This act is an urgency statute necessary for the  
31 immediate preservation of the public peace, health, or safety  
32 within the meaning of Article IV of the Constitution and shall go  
33 into immediate effect. The facts constituting the necessity are:

34 In order to ensure that public hospitals meet seismic mandates  
35 with the minimum of delay and costs, while minimizing the  
36 increasing workload for the Office of Statewide Health Planning  
37 and Development, it is necessary that this act take effect  
38 immediately.

39 ~~SECTION 1. Section 129771 is added to the Health and~~  
40 ~~Safety Code, to read:~~

1     ~~129771. (a) (1) The governing board of a public hospital~~  
2     ~~may retain an independent plan reviewer (IPR), approved by the~~  
3     ~~office, to review its plan prior to submission to the office for any~~  
4     ~~project over twenty-five thousand dollars (\$25,000) in~~  
5     ~~construction costs, as part of this plan review process.~~

6     ~~(2) (A) The IPR shall perform a plan review of the project.~~  
7     ~~Written plan review comments shall be provided to the hospital~~  
8     ~~governing board. The hospital governing board or its designee~~  
9     ~~shall respond to the IPR comments in writing.~~

10    ~~(B) The IPR shall provide the office with copies of the plans~~  
11    ~~with the plan review comments at the same time they are~~  
12    ~~provided to the hospital governing board or its designee.~~

13    ~~(C) The hospital governing board shall provide the office with~~  
14    ~~copies of the plans with response to plan review comments at the~~  
15    ~~same time they are provided to the IPR.~~

16    ~~(D) The office may review and comment on the plan review~~  
17    ~~comments made by the IPR and on the hospital governing board's~~  
18    ~~response.~~

19    ~~(E) When the IPR determines that the hospital governing~~  
20    ~~board's plans are complete and comply with all applicable~~  
21    ~~California Building Standards Code requirements, the IPR shall~~  
22    ~~issue a certification and the hospital governing board shall submit~~  
23    ~~the application and the certified plans to the office for review.~~

24    ~~(3) (A) Except as provided in subparagraph (G), the office~~  
25    ~~shall perform a review of the certified plans and supporting~~  
26    ~~design data within 60 days of submission.~~

27    ~~(B) If the office identifies any noncompliance with structural,~~  
28    ~~nonstructural bracing, or fire and life safety requirements of the~~  
29    ~~California Building Standards Code or other noncompliance that~~  
30    ~~impacts structural, nonstructural bracing, or fire and life safety~~  
31    ~~conditions, the office shall return the certified plans to the~~  
32    ~~hospital governing board for correction. If the hospital governing~~  
33    ~~board resubmits the corrected plans to the office within six~~  
34    ~~months from the date the office returned the plans to the hospital~~  
35    ~~governing board for correction, the office shall review the~~  
36    ~~corrected plans within 60 days. If the hospital governing board~~  
37    ~~resubmits the corrected plans to the office after six months, the~~  
38    ~~office shall treat the corrected plans as a new application.~~

1     ~~(C) If the office does not identify any noncompliance with the~~  
2 ~~IPR's certified submission or resubmission, the office shall issue~~  
3 ~~a plan approval.~~

4     ~~(D) If the office identifies any noncompliance with any code~~  
5 ~~requirements other than structural, nonstructural bracing, or fire~~  
6 ~~and life safety requirements that do not impact the structural,~~  
7 ~~nonstructural bracing, or fire and life safety conditions, the office~~  
8 ~~shall inform the hospital governing board, issue a plan approval,~~  
9 ~~and, during construction, the hospital governing authority shall~~  
10 ~~remedy the noncompliance, and the office shall verify that the~~  
11 ~~noncompliances were corrected. The office shall not permit~~  
12 ~~occupancy or use of space if any noncompliance is not remedied.~~

13     ~~(E) The office may audit the review procedures and results of~~  
14 ~~the IPR plan reviews. If the audit uncovers a plan review error or~~  
15 ~~use of unlicensed or unqualified personnel, the office may~~  
16 ~~terminate its approval of the IPR at any time during or after the~~  
17 ~~review process.~~

18     ~~(F) Prior to retaining an IPR, the hospital governing board~~  
19 ~~shall notify the office of the scope of its project and the scope of~~  
20 ~~the IPR review, the name of the IPR, and the names and~~  
21 ~~qualifications of the IPR staff.~~

22     ~~(G) The Legislature understands that some projects are so~~  
23 ~~complex that the 60-day deadlines for review of certified or~~  
24 ~~corrected plans, as described in subparagraphs (A) and (B), may~~  
25 ~~not be achievable. In all cases, the hospital owner and the office~~  
26 ~~may negotiate a mutually agreeable timeframe for review of~~  
27 ~~IPR-certified plans or corrected plans. However, in no case shall~~  
28 ~~total time required for review of IPR-certified or corrected plans~~  
29 ~~exceed 160 days.~~

30     ~~(b) The office shall establish criteria for approving any person,~~  
31 ~~corporation, legal entity, or local governmental entity, qualified~~  
32 ~~to provide architectural, structural, mechanical, electrical, fire,~~  
33 ~~and life-safety plan review of a hospital project, as an IPR under~~  
34 ~~this section.~~

35     ~~(e) The office shall adopt within 90 days after the effective~~  
36 ~~date of the act that added this section, regulations to establish the~~  
37 ~~following:~~

38     ~~(1) IPR qualifications and certification process pursuant to~~  
39 ~~subdivision (b).~~



1     ~~(2) IPR plan approval process pursuant to paragraph (2) of~~  
2     ~~subdivision (a):~~

3     ~~(d) The adoption, amendment, repeal, or readoption of a~~  
4     ~~regulation authorized by this section is deemed to be necessary~~  
5     ~~for the immediate preservation of the public peace, health and~~  
6     ~~safety, or general welfare, for the purposes of Sections 11346.1~~  
7     ~~and 11349.6 of the Government Code, and the office is hereby~~  
8     ~~exempted from the requirement that it describe specific facts~~  
9     ~~showing the need for immediate action:~~

10    ~~(e) As used in this section, “public hospital” means any~~  
11    ~~hospital owned and operated by a city, county, city and county,~~  
12    ~~health care district, or the University of California:~~

13    ~~(f) Due to the short-term nature of the projected workload~~  
14    ~~peak, this section shall remain in effect only until January 1,~~  
15    ~~2012, and as of that date is repealed, unless a later enacted~~  
16    ~~statute, that is enacted before January 1, 2012, deletes or extends~~  
17    ~~that date:~~

18    ~~SEC. 2. This act is an urgency statute necessary for the~~  
19    ~~immediate preservation of the public peace, health, or safety~~  
20    ~~within the meaning of Article IV of the Constitution and shall go~~  
21    ~~into immediate effect. The facts constituting the necessity are:~~

22    ~~In order to ensure that public hospitals meet seismic mandates~~  
23    ~~with the minimum of delay and costs, while minimizing the~~  
24    ~~increasing workload for the Office of Statewide Health Planning~~  
25    ~~and Development, it is necessary that this act take effect~~  
26    ~~immediately:~~